

---

# STATE OF INDIANA

---

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



INDIANA GOVERNMENT CENTER NORTH  
100 NORTH SENATE AVENUE N1058(B)  
INDIANAPOLIS, IN 46204  
PHONE (317) 232-3777  
FAX (317) 974-1629

**TO:** All Political Subdivisions, Redevelopment Commissions, Military Base Reuse Authorities, and Military Base Development Authorities

**FROM:** Micah G. Vincent, Commissioner

**SUBJECT:** Allowable Expenditures for Military Bases

**DATE:** May 19, 2014

On March 25, 2014, Governor Pence signed into law Senate Enrolled Act 260 ("SEA 260"), which is effective July 1, 2014. SEA 260 authorizes certain expenditures in support of military bases. Please note that this memorandum is intended to be an informative bulletin; it is not a substitute for reading the law.

Section 1 of SEA 260 provides the following definition:

"Active military base" means an active military installation that is used for the deployment, redeployment, mobilization, concentration, movement, exercise, or training of active or reserve components of the armed forces of the United States or of active or reserve components of the Indiana National Guard or Indiana Air National Guard. This term also includes a military installation that is used for the design, construction, maintenance, and testing of electronic devices and ordnance.

The expenditures authorized in SEA 260 are not allowed for taxing units, redevelopment commissions, military base reuse authorities, or military base development authorities in counties in which the total amount of net property taxes allocated to all allocation areas in the county exceeded 19% of the total net property taxes billed in the county in the preceding calendar year.

For those taxing units in eligible counties, the fiscal body of a taxing unit may authorize an appropriation so that the unit may expend money in direct support of the following types of entities:

- an active military base located within the taxing unit; or
- an entity located within the territory or facilities of a military base, a former military base, or any territory or facilities of the United States Department of Defense within the taxing unit that are scheduled for closing or are completely or partially inactive or closed.

Direct support can include support for the promotion of the active military base or entity, the growth of the active military base or entity, and activities at the active military base or entity. A taxing unit can also support any other entity that provides services or direct support to the types of entities outlined above.

Redevelopment commissions, military base reuse authorities, and military base development authorities can provide similar support (including grants and loans) that taxing units are allowed to provide. In order to do so, these entities must first obtain approval by the fiscal body of the unit that established the redevelopment commission, military base reuse authority, or military base development authority. The fiscal body of the unit that established the redevelopment commission, military base reuse authority, or military base development authority must separately approve each grant, loan, or other expenditure. The terms of any such loan may be changed only if the change is approved by the fiscal body of the unit that established the redevelopment commission, military base reuse authority, or military base development authority.

Questions may be directed to Budget Division Director Courtney Schaafsma at (317) 234-3937 or [cschaafsma@dlgf.in.gov](mailto:cschaafsma@dlgf.in.gov).